

IDENTIFICATION OF BACKWARD REGIONS AND THE TRENDS IN REGIONAL DISPARITIES IN INDIA¹

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SINCE 1951 when the concerted efforts for planned economic development were intensified in India, the problems of regional imbalances attracted much attention. As early as 1956 when the Second Five-Year Plan was formulated the problem of regional disparity was specifically noted and it was stressed that in any comprehensive plan the special needs of the less developed regions should receive due attention and the pattern of investment must be so devised as to lead to balanced regional development. In the Third Plan, programmes for extension of benefits of economic progress to the less developed regions and widespread diffusion of industry were suggested as part of the effort to even out regional inequalities. Emphasis was laid on the systematic identification of under-developed regions as well as the promotion of studies of economic trends and rates of growth in different regions. In the Fourth Plan as well as in the draft Fifth Plan regional development was given due consideration and emphasis was laid on assisting the States that are economically backward.

In view of the continuing need to help economically backward States, it becomes essential to evolve some indicators for the purpose of measuring economic backwardness. Any plan or policy towards regional disparities would call for an identification of backward regions.² Such an attempt becomes imperative in a federal country not only for the purpose of transferring resources from the federal to the federating States but also to assess their competing claims for additional assistance and/or investments. Quite often, one finds, State persuasion and pressure for additional central assistance on the plea of lessening regional disparities. To support their claims, individual State, it is frequent to find, may try to project its own standard for identifying less developed regions. Sometimes these divergent standards may assume serious proportions. Naturally, it becomes imperative on the part of Central Government to develop a dispassionate and objective standard, free from any kind of pressures, to identify

¹ The author is a Research Associate in the Institute for Social and Economic Change. The present paper is a part of her doctoral dissertation on "Centre State Financial Relations and the Problems of Financing Regional Development". She is thankful to Prof. M. N. Pal, Mr. M. M. Jain, Prof. M. J. K. Thavaraj and Dr. N. A. Sarma for their useful comments.

² The words 'region' and 'state' are used interchangeably.